

E.T. dt. 28.12.2008

Harrisons Malayalam plans Rs 60-crore modernisation

S Sanandakumar
KOCHI

IN an ambitious plan to achieve a turnover of Rs 1,000 crore in the next four years, the RPG-owned Harrisons Malayalam (HML) is taking a fresh look at its growth strategies to identify new thrust areas in business and to transform itself into an 'agricultural company' from a 'plantation company.'

The company, which made a turnover of Rs 206 crore last year, is expecting a 50% growth this year, Pankaj Kapoor, managing director of HML, told ET. The company is expecting its profit to touch Rs 25 crore from the last year's level of Rs 7 crore.

The company would invest Rs 60 crore in the next three years for modernisation and consolidation of operations of two of its main divisions rubber and tea. In rubber, the investment is for replanting, modernising factories, reducing cost and developing val-

PROFILE CHANGE

HML is taking a fresh look at its growth strategies to identify new thrust areas in business and to change itself into an 'agricultural company' from a 'plantation company'

ue-added products. In tea, the investment would be for replanting, modernising factories and converting some of them into Orthodox tea production facilities. The company's production of rubber and tea stood at 12,000 tonne and 20 million kg respectively this year.

The company has identified fruits, spices and other products (FSO) as its new thrust area. Of the 25,000 hectares under the company, rubber and tea are grown in 13,500 hectares.

"A small portion of the remaining land would be used for growing banana, pineapple, pepper and car-

damom and other products such as eucalyptus," Mr Kapoor said. "We are expecting Rs 25 crore topline and Rs 6 to Rs 7 crore bottomline from the FSO division in three years."

Mr Kapoor said that the company is considering inorganic growth options in the coming days. HML is looking to takeover companies in plantation or related areas. Branded spices or fruit juices are other areas that the company can get into, he pointed out. "We are also looking for opportunities for supply for established brands or packing for a brand," he said.

Stating that this business recast would help HML to achieve the turnover target of Rs 1000 crore in four years, he identified the engineering division of the company as another focus area. In the current year, it is likely to make a turnover of Rs 80 to Rs 100 crore. "In the coming years this will grow substantially," he said.

sanandakumar.s@timesgroup.com